

Frequently Asked Questions and Answers Concerning 2009 Furloughs

As of December 10, 2008

The use of furloughs in 2009 has led to many questions from employees. Please find below a list of the most frequently asked questions (FAQs) and responses to each. As we become aware of other questions, the list will be updated and expanded, as appropriate.

A number of details associated with furloughs will be worked out within departments at the organization level. Labor-management committees will be involved in much of the decision making. All employees should feel free to contact their human resources staff for detailed answers and discussions on furlough.

Q: Are there any steps which must be taken in order to finalize the 2009 furloughs?

A: The Memorandum of Agreement between the various unions and the county must be adopted by the King County Council. In addition, King County Code changes which will apply the furloughs to non-represented employees must also be adopted by the Council. Much of the information in these FAQs is dependent on Council action.

Q: Why is it necessary to have unpaid furlough days in 2009?

A: Local governments throughout Washington State, including King County, are experiencing severe budget shortfalls. There are two primary reasons for the shortfall. First, due to initiative-based changes in the Washington State tax structure, there is an insufficient tax base to support the operation of current levels of service in many counties within the state. Second, the national and internal financial crises also effects local governments by dramatically reducing revenue from every source, including property taxes, sales taxes, real estate taxes, utility revenues like wastewater, and licensing revenues.

Q: Will everyone have a ten-day furlough?

A: Department managers and the Office of Management and Budget have worked together to identify those bodies of work which will be subject to furlough (furlough-eligible) and those bodies of work which must continue through the furlough (furlough-ineligible). The employees occupying bodies of work which are furlough-eligible are scheduled to be furloughed for 80 hours during 2009. Part-time employees will experience furlough hours during 2009 which are pro-rated dependent upon their schedule. For example, a person working 20 hours per week would experience 40 hours of furlough during 2009.

Q. Can a department reduce the normal hours an employee works during the year to spread the furlough out over 24 pay periods?

A: No, this is outside of the Memorandum of Agreement, would cause problems developing the furlough recovery days, and may impact the vacation and sick leave accruals.

Q: If a person works an alternative work week, such as four days of ten hours per day, will they have to take ten ten-hour days as furlough?

A: Full-time “furlough-eligible” employees will be scheduled for 80 hours of furlough in 2009. Employees will work with their managers, supervisors and labor-management committees in order to address alternative work week situations. If a furlough day lands on an employee’s regular day off, an alternative furlough day will be scheduled, preferably in the same week as the designated furlough day.

Those employees may also be reverted to standard schedules during the week in which a furlough occurs to the extent possible (standard meaning 8 or 7 hour days depending on what is standard in each department). However, when not possible the furlough day will be equal to the normally scheduled work day.

Q: The current economic downturn is expected to last throughout 2009 and potentially into 2010. Are furloughs planned for 2010 and 2011?

A: No furloughs are currently planned or anticipated past 2009.

Q: There was some talk of cost-of-living increase reductions and cancellation of merit increases. Are those planned for 2009?

A: Those were options under consideration at one time. The furlough option was chosen instead. Dependent upon the collective bargaining agreement and action by the King County Council, represented employees whose union has ratified the Memorandum of Agreement and non-represented employees are scheduled to receive a 4.88 percent cost of living increase for 2009. Merit increases will be administered as normal.

Q: By taking ten unpaid furlough days, how much salary reduction will employees experience?

A: Ten unpaid furlough days is the equivalent to a 3.85 percent reduction in salary.

Q: Can employees use accrued vacation, executive time, sick leave or compensatory time to be paid for unpaid furlough days if they are “furlough-eligible?”

A: In order to balance the budget, the unpaid furlough days option was chosen. Employees using paid leave does not save money therefore that option will not be generally available. Some employees will, however, be allowed to use vacation. Those employees include persons declaring intent to retire from the PERS or the City of Seattle Retirement systems. They also include employees making \$16.92 per hour or less. Lastly, employees who are furlough-ineligible may take their vacation days as normal regardless of the furlough schedule. No

other employees will be allowed to use paid leave on a furlough day if they are furlough-eligible (scheduled for an unpaid furlough day).

Q: Will FLSA-exempt employees who are permitted to use vacation because they have submitted a “Declaration of Intend to Retire” be allowed to remain on FLSA-exempt status during a week in which a furlough day occurs?

A: No to avoid creating confusing and inconsistent administrative procedures, they will convert to an hourly status just as other FLSA-exempt employees. This will avoid errors from occurring. We also want equitable treatment for all employees. Lastly, there is no provision under the Memorandum of Agreement for that.

Q: Which specific days are scheduled for furlough?

A: The county will shut down most of its major facilities on the following days during the 2009 calendar year, requiring mandated leave by all furlough-eligible county employees:

Friday, January 2, 2009
Friday, February 13, 2009
Friday, April 10, 2009
Friday, May 22, 2009
Friday, June 19, 2009
Monday July 6, 2009
Friday, September 4, 2009
Monday, October 12, 2009
Wednesday, November 25, 2009
Thursday, December 24, 2009

Q: Can an employee pick different furlough days than those designated?

A: Unpaid furlough days will be announced to the public. Almost all county buildings will be shut down on furlough days. Part of the overall plan is to achieve additional savings from electricity and other operational elements by closing facilities. Almost all furlough-eligible employees should expect to be on furlough on the days listed.

Q: FLSA-exempt employees have different rules and expectations than hourly employees. How will FLSA-exempt employees be furloughed?

A: During those weeks in which a furlough occurs, FLSA-exempt employees will be converted to an hourly status. During furlough weeks, all hourly rules and expectations will be applied to FLSA-exempt employees. Such rules include the payment of overtime consistent with an applicable collective bargaining agreement, the King County Code and/or state and federal law. During a week in which a furlough occurs, they must take a minimum half hour lunch, they must have two 15 breaks made available to them in the first and second half of the day (intermittent breaks are also appropriate) and they must use leave accruals for partial day absences. On actual furlough days, FLSA-exempt employees may

not come to work, telecommute or perform services for King County unless specifically authorized to do so.

Q: Will all employees take furlough days including represented, non-represented, temporary, appointed and elected officials?

A: All represented and non-represented employees will experience furlough days if they are “furlough-eligible.” The same is true with all temporary employees including term-limited temporaries, short-term temporaries, interns, work-study students and seasonal workers. Elected official’s salaries are set by law, but numerous elected officials have indicated plans to take voluntary salary reductions on par with the reductions experienced by furlough-eligible employees.

Q: For disaster response purposes, many employees have been designated as “essential.” For furlough purposes, does this designation apply? Why the difference between “eligible” and “essential”?

A: The terms “essential” and “non-essential” were used early in furlough planning but the terms were being confused with the meaning associated with disaster response. The terms have different meanings. As a result, the terms “furlough-eligible” and “furlough-ineligible” are used to more precisely describe the furlough situation and to distinguish it from disaster planning. “Furlough-eligible” employees are employees who will experience the unpaid furlough days. “Furlough-ineligible” employees are employees who fall under certain criteria and therefore will not experience the unpaid furlough days.

Q: Will the unpaid furlough days affect an employee’s retirement?

A: The identified unpaid furlough days will not affect a full-time employee’s retirement system eligibility. In order to receive a full service credit, PERS 1 employees must be paid 70 hours within the calendar month. In order to receive full service credit, PERS 2 employees must be paid 90 hours within a calendar month. In order to receive a half service credit, PERS 2 employees must be paid between 70 and 89 hours in a calendar month. In order to receive a quarter service credit, PERS 2 employees must be paid 1 to 69 hours in a calendar month.

Q: Will the unpaid furlough days lower my pension payments?

A: Pension payments are a function of earnings within specific years. If a person’s earnings are lowered in those specific years (for example, PERS 1 the highest, and usually the last, two years of employment), pension payments are lowered. Provisions have been made for persons planning to retire in 2009 or 2010 to use paid vacation time in place of furlough days. In that way, their pension payments will not be lowered during their retirement years. In order to take advantage of the option, employees must provide their supervisor/manager with a “Declaration of Intent to Retire.” (See the form provided for that purpose.)

Q: Why are some employees who are not retiring and are not furlough-eligible being allowed to use vacation on furlough days?

A: Employees earning \$16.92 per hour or less are allowed to use vacation time on unpaid furlough days. \$16.92 is double the poverty rate in the United States. The impact of an unpaid furlough day on a person at that wage level can potentially be far greater than the impact on the typical county employee.

Q: Will the unpaid furlough day hours count toward the total number of hours worked in the week for overtime threshold purposes?

A: Unpaid leave during the county's shutdown days is non-compensable time and will not count as hours worked towards the overtime threshold. Unique issues will be dealt with in accordance with applicable collective bargaining agreements.

Q: Will the medical, dental and vision benefits be affected as a result of the unpaid furlough days?

A: Medical, dental, vision and other insured benefits will be unaffected by the mandated furlough leave except when an employee is on unpaid status for more than 30 consecutive days.

Q: A number of the unpaid furlough days are associated with legal holidays. Will furlough-eligible employees be paid for holidays?

A: Furlough-eligible employees observing unpaid furlough days which are contiguous to holidays will be paid holiday pay. If an employee is in an unpaid status for reasons unrelated to the unpaid furlough days, he or she will not be paid for that holiday.

Q: Can an employee telecommute on unpaid furlough days?

A: Employees who are furlough-eligible and scheduled for an unpaid furlough day may not telecommute on unpaid furlough days. They may not perform work for the county on a furlough day.

Q: Many long-term employees accrue 20 to 30 vacation days per year. Will the furlough plan cause such employees to lose excess vacation accruals?

A: Failure to use vacation leave beyond the maximum accrual amount results in forfeiture of the vacation leave beyond the maximum unless the specific carryover authorization has been approved by the HRD Director. The HRD Director will ensure that where an employee is denied vacation time as a direct result of the furlough days, the employee may be allowed to carry over vacation in excess of the maximum accrual. However, excess vacation carryover not due to a department's necessity to schedule mandated leave time will be subject to standard carryover processes. Managers and employees are expected to continue to manage vacation accruals in a way which does not require request for carryover even in light of the required furlough.

Q: Some employees already have vacation time scheduled for 2009. In particular, many furlough-eligible employees have asked for and received

approval to take January 2nd off as a paid vacation day. How is that being addressed?

A: January 2, 2009, is the first unpaid mandated furlough day. Persons who are furlough-eligible may work with their managers and supervisors to schedule an alternate day off. Represented employees may take advantage of whatever agreements are achieved in labor-management committees where those committees exist. Non-represented employees should work directly with their managers and supervisors to make the appropriate adjustments.

Q: Will the various special forms of leave, such as military leave, be lowered due to unpaid furlough days?

A: As a general rule, individuals should assume that employees will not be paid for days for which they are not typically scheduled to be paid. Furlough-eligible employees are not scheduled to be paid for furlough days. That does not mean, however, that a form of leave such as military leave will be lowered due to the furlough plan. If an employee has occasion to use the 21 days per year of military leave around a furlough day occurrence, he or she will continue to have 21 paid working days of military leave around the furlough day, but not including the furlough day. If there are collective bargaining agreements which apply to such circumstances, the agreements will prevail.

Q: If a person works in the Courthouse and is furlough-ineligible, will the building be open?

A: At this time it is expected that the Courthouse will be open through the Third Avenue entrance only.

Q: Are employees eligible to draw unemployment compensation for furlough days?

A: Eligibility for unemployment compensation is determined by the Washington State Department of Employment Security.

Q. How will the timekeepers/payroll clerks report the time for FLSA-exempt employees who are furlough-eligible and converted to hourly employees during a week in which a furlough occurs?

A. Follow the method currently in place in your department to administer payroll for hourly employees with further instruction to come from Payroll Operations when system design is completed.

Q. How will employees be able to pick up pay warrants on payday which occurs on a furlough day?

A. Payroll Operations is currently mapping out all of the furlough days and creating a solution for warrant pick up. At this time, the Payroll Operations solution is to mail the warrants out ahead of time and have the advices picked up after the furlough day but the final answer is forthcoming.

Q. What new payroll codes are available to administer furlough?

- A.** New payroll codes needed to administer the furlough are in development. Payroll Operations is working on using as few codes as necessary to keep administration as simple as possible.